

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

CALIFORNIA EXPANDED METAL)	Case No. CV 18-00242 DDP (MRWx)
PRODUCTS COMPANY, a)	
California corporation;)	
CLARKWESTERN DIETRICH)	
BUILDING SYSTEMS LLC, an)	
Ohio limited liability)	
company Guardian Ad Litem)	
CLARKDIETRICH BUILDING)	
SYSTEMS,)	
)	ORDER GRANTING DEFENDANTS' MOTION
Plaintiff,)	TO TRANSFER
)	
v.)	
)	
JAMES A. KLEIN, an)	
individual; BLAZEFRAME)	[Dkt. 40]
INDUSTRIES, LTD., a)	
Washington Company; SAFTI)	
SEAL, ICN., a Washington)	
Company,)	
)	
Defendants.)	
)	
)	

Presently before the court is Defendants James A. Klein ("Klein"), BlazeFrame Industries ("BlazeFrame"), and Safti-Seal, Inc. (Safti Seal)'s Motion to Dismiss or, in the Alternative, Transfer. Having considered the submissions of the parties, the court grants the motion and adopts the following Order.

I. Background

1 Defendant Klein is the named inventor of certain patented
2 technologies related to fire-stopping head of wall assemblies used
3 in the construction industry. In essence, the assemblies are
4 comprised of a header with an intumescent strip of material
5 attached. When exposed to heat, the intumescent material expands
6 to seal the gap between the header and the ceiling, inhibiting the
7 spread of smoke and fire.

8 In 2012, a patent dispute arose between BlazeFrame and
9 Plaintiff California Expanded Metal Products Company ("CEMCO") in
10 the Western District of Washington. (CV 13-4669 DDO-MRW.) That
11 suit was transferred to this Court and consolidated with a second
12 action by CEMCO against Plaintiff Clarkwestern Dietrich Building
13 Systems LLC ("Clarkwestern"), Klein, and BlazeFrame. (CV 12-10791-
14 DDP-MRW.) The case ultimately settled.

15 In 2016, CEMCO and Clarkwestern filed a new suit against Klein
16 and BlazeFrame ("the second suit"), alleging patent infringement
17 and breach of contract arising out of the settlement of the earlier
18 litigation. (CV 16-5968-DDP-MRW.) That case also settled (the
19 "Second Agreement".) Under the Second Agreement, Klein (and
20 BlazeFrame) agreed to relinquish any claim to certain disputed
21 patents and licenses.

22 In the instant suit, Plaintiffs allege that Klein formed a new
23 company, Safti-Seal, that is producing and selling head of wall
24 assemblies that infringe upon the patents at issue in the earlier
25 litigation. Plaintiffs allege patent infringement claims against
26 Klein, BlazeFrame, and Safti-Seal, breach of contract claims
27 against Klein and BlazeFrame related to the Second Agreement, and
28 an unfair competition claim against Klein and Safti-Seal.

1 Defendants now move to dismiss or transfer the Complaint for
2 improper venue.

3 **II. Legal Standard**

4 A party may file a motion to dismiss for improper venue
5 pursuant to Federal Rule of Civil Procedure 12(b)(3). "The
6 district court of a district in which is filed a case laying venue
7 in the wrong division or district shall dismiss, or if it be in the
8 interest of justice, transfer such case to any district or division
9 in which it could have been brought." 28 U.S.C. § 1406(a). It is
10 the plaintiff's burden to show that venue is proper. Allstar
11 Marketing Group, LLC v. Your Store Online, LLC, 666 F.Supp.2d 1109,
12 1126 (C.D. Cal. 2009).

13 **III. Discussion**

14 Plaintiffs' Complaint alleges that venue is proper in this
15 district pursuant to 28 U.S.C. § 1391. (Complaint ¶ 8.) Defendants
16 argue that under the patent venue statute, 28 U.S.C. § 1400(b),
17 this district is not a proper venue for this case, which must
18 therefore be dismissed or transferred.

19 In 2017, the Supreme Court decided TC Heartland LLC v. Kraft
20 Foods Group Brands LLC, 137 S.Ct. 1514 (2017), which some courts
21 have characterized as a "sea change" in the law of patent venue.
22 See OptoLum, Inc. v. Cree, Inc., No. CV-16-03828-PHX-DLR, 2017 WL
23 3130642, at *2 (D. Ariz. July 24, 2017) (citing Westech Aerosol
24 Corp. v. 3M Co., No. C17-5067-RBL, 2017 WL 2671297, at *2 (W.D.
25 Wash. June 21, 2017).) In TC Heartland, the Court reemphasized that
26 the patent venue statute, 28 U.S.C. § 1400(b), is separate and
27 distinct from the broader, general venue statute at 28 U.S.C. §
28 1391(c). The latter provides, for venue purposes, that a

1 corporation "shall be deemed to reside . . . in any judicial
2 district in which [it] is subject to the court's personal
3 jurisdiction" 28 U.S.C. § 1391(c). Section 1400(b)
4 states that a patent infringement action may be brought "in the
5 judicial district where the defendant resides, or where the
6 defendant has committed acts of infringement and has a regular and
7 established place of business." 28 U.S.C. § 1400(b). The Court
8 interpreted Section 1400(b)'s definition of "resides" to include
9 only the state of a corporation's incorporation, rejecting the
10 argument that Section 1400(b) incorporates the Section 1391(c)
11 definition of corporate residence. TC Heartland, 137 S. Ct. at
12 1517 (citing Fourco Glass Co. v. Transmirra Products Corp., 353
13 U.S. 222, 226 (1957)). The Federal Circuit has since clarified
14 that a defendant's "regular and established place of business" must
15 be a "physical, geographical location" within a given district. In
16 re Cray, Inc., 871 F.3d 1355, 1362 (Fed. Cir. 2017).

17 Here, there is no dispute that Klein, BlazeFrame, and Safti-
18 Seal all reside in the state of Washington. Indeed, Plaintiffs
19 agree that, under TC Heartland, the proper venue would be in
20 Washington if the Complaint were to assert purely patent claims.
21 (Opposition at 6.) Plaintiffs contend, however, that because their
22 Complaint alleges both patent and non-patent claims, Section
23 1400(b) should not control. Plaintiffs have not cited, nor has
24 this Court discovered, any authority post-dating TC Heartland that
25 would allow the court to simply disregard Section 1400(b) where
26 patent claims are asserted. Although the court in Jinni Tech Ltd.
27 V. Red.com, Inc., No. C17-0217JLR, 2017 WL 4758761 (W.D. Wash. Oct.
28 20, 2017) did address venue for patent and non-patent claims

1 separately, it dismissed the former for failure to conform to
2 Section 1400(b), and in no way suggested that the result would have
3 been different had the claims been more intertwined. Jinni, 2017
4 WL 4758761 at *10, 13. Furthermore, to the extent Plaintiffs argue
5 that the breach of contract claims are “ancillary” to the patent
6 claims, this Court cannot agree. Indeed, Plaintiffs themselves
7 recognize that “[t]o determine the breach of contract claims . . .
8 , it will be necessary to determine whether the Safti-Seal products
9 infringe the patents that are the subject of the contract.”
10 (Opposition at 7:4-5.) Under such circumstances, it would appear
11 that the contract claims are ancillary to the patent claims, rather
12 than the reverse.

13 Plaintiffs also argue that this Court can avoid the
14 application of Section 1400(b) by applying the doctrine of pendent
15 venue, under which courts have the discretion to find venue proper,
16 even where it is otherwise lacking, so long as venue is proper on
17 another, closely related claim. Martensen v. Koch, Martensen v.
18 Koch, 942 F. Supp. 2d 983, 998 (N.D. Cal. 2013); see also Gamboa v.
19 USA Cycling, Inc., No. 2:12-CV-10051-ODW, 2013 WL 1700951, at *4
20 (C.D. Cal. Apr. 18, 2013) (recognizing that the “pendent venue
21 doctrine has received limited acceptance but is at least a
22 recognized doctrine.”). Because, Plaintiffs argue, venue is
23 unquestionably proper for the contract claims here, and because the
24 patent claims are indisputably closely related to those claims,
25 this Court can find this district an appropriate venue for the
26 patent claims under the pendent venue doctrine.

27 Although Plaintiffs do not point to any authority for the
28 post-TC Heartland application of the pendent venue doctrine to

1 circumstances involving patent claims, other courts have addressed
2 similar questions. The court in Jenny Yoo Collection, Inc. v.
3 Watters Design Inc., No. 16-CV-2205 (VSB), 2017 WL 4997838 (S.D.N.Y.
4 Oct. 20, 2017), for example, explicitly declined to apply pendent
5 venue over patent claims in light of TC Heartland, distinguishing
6 earlier cases that relied upon Federal Circuit precedent abrogated
7 by TC Heartland. Jenny Yoo, 2017 WL 4997838 at *7. The court in
8 Wet Sounds, Inc. V. Powerbass USA, Inc., No. CV H-17-3258, 2018 WL
9 1811354 (S.D. Tex. Apr. 17, 2018), elaborated upon the Jenny Yoo
10 court's rationale, explaining that courts applying the pendent
11 venue doctrine typically follow one of two approaches, focusing
12 either on the specificity of the respective venue statutes at issue
13 or, alternatively, on the "primary claim" at issue.¹ In the wake
14 of TC Heartland's prescription that Section 1400(b) "is the sole
15 and exclusive provision controlling venue in patent infringement
16 actions and is not to be supplemented by § 1391(c)," the
17 specificity-focused approach weighs against the application of
18 pendent venue to cases involving patent claims. TC Heartland, 137
19 S. Ct. at 1519 (internal quotation, alterations, and citation
20 omitted). Indeed, for that reason, at least one court has
21 suggested that pendent venue is categorically inapplicable to
22 patent cases. See National Products, Inc. v. Arkon Resources,
23 Inc., No. C15-1984JLR, 2018 WL 1457254 at *7 (W.D. Wash. Mar. 23,
24 2018). Here, as in Wet Sounds, the primary claim-focused approach
25 also militates against application of pendent venue. As discussed
26 above, the breach of contract claims cannot be resolved without

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28 ¹ The Wet Sounds Order issued after the completion of briefing
on the instant motion.

1 first resolving the patent infringement claims. Thus, even if
2 pendent jurisdiction is applicable in the patent context, the
3 circumstances here do not warrant the invocation of the doctrine.

4 Plaintiffs also ask, in the alternative, that this court stay
5 the patent claims until the breach of contract and unfair
6 competition claims are fully litigated. However, in light of the
7 fact that, as Plaintiffs acknowledge, the non-patent claims cannot
8 be resolved without a determination of the patent question, that
9 course of action would not serve the interests of justice,
10 including judicial economy, avoidance of piecemeal litigation, and
11 conservation of party resources. Furthermore, where, as here,
12 venue is improper, this court must either dismiss or transfer the
13 case. 28 U.S.C. § 1406(a). Even assuming that this Court could
14 exercise its inherent power to stay proceedings under these
15 circumstances, the court cannot find a compelling reason to do so,
16 notwithstanding its familiarity with the procedural history of this
17 case. See, e.g. Dietz v. Bouldin, 136 S. Ct. 1885, 1892 (2016).

18 As Plaintiffs put it, "it makes better sense to keep all the
19 claim[s] together because they are based on the same nucleus of
20 operative facts." (Opp. at 13:6-7) Accordingly, because venue is
21 only proper in Washington for Plaintiffs' patent claims and because
22 the remaining claims are inextricably intertwined with those patent
23 claims, this entire action is transferred to the Western District
24 of Washington.²

25 **IV. Conclusion**

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27 ² Where venue is proper for all claims against some, but not
28 all, defendants, severance of some claims may be warranted. See,
e.g., Wet Sounds, 2018 WL 1811354 at *4.

1 For the reasons stated above, Defendants' motion is GRANTED.
2 This entire action is transferred to the Western District of
3 Washington.

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7 IT IS SO ORDERED.

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10 Dated: April 30, 2018

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A handwritten signature in cursive script, reading "Dean D. Pregerson".

DEAN D. PREGERSON
United States District Judge